GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

STARRED QUESTION NO:152
ANSWERED ON:14.03.2005
NOTICES ISSUED TO DRUG COMPANIES
Muqueem Shri Mohammed;Panda Shri Prabodh

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether the Government is aware that drug companies are overcharging for drugs;

(b) if so, whether the Government has constituted a plug Price Liability Review Committee (DPLRC) to check srcharging;

(c) if so, the date on which DPLRC was constituted;

(d) the details of overcharging notices sent by National Pharmaceutical Pricing Authority (NPPA) to various drug companies under Drug (Price Control) Order,1995 (DPCO, 95);

(e) the details of amount of liability to each company;and

(f) the names of the companies and the amount of liability for which the report has been finalised and yet to be finalised by DPLRC?

Answer

THE MINISTER OF CHEMICALS AND FERTILIZERS AND MINISTER OF STEEL (SHRI RAM VILAS PASWAN):

(a) to (f) The Drug Prices Liabilities Review Committee (DPLRC) was constituted on 21.3.1994 to determine the liabilities of the drug companies on the overcharged amounts between 1981 and 1987 till the Drugs (Prices Control) Order 1979 remained in force. The names of the companies and the amount of liability quantified by the DPLRC, those computed by the Department on the basis of the reports of the Committee and those yet to be finalised by DPLRC are enclosed in Statement I, II & III respectively.

Since the inception of National Pharmaceutical Pricing Authority (NPPA) in August 1997 upto 31st January 2005, demand notices for an estimated overcharged amount of around Rs. 597 crore were raised in 263 cases, under para 13 of DPCO, 95. Of this, an amount of around Rs. 83 crore, has been recovered so far. this includes part recovery in cases under litigation, as per Court Orders.Overcharging notices (in 263 cases) giving details of liability of each case, sent by NPPA to various drug units under DPCO, 95 is enclosed as Statement-IV.